

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1382 HB PL	<b>Title:</b> Express toll lanes/eastside
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## Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Transportation	Non-zero but indeterminate cost. Please see discussion."					
<b>Total \$</b>	0	0	0	0	0	0

## Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Transportation Commission	.0	0	1,800,000	.0	0	0	.0	0	0
<b>Total</b>	0.0	\$0	\$1,800,000	0.0	\$0	\$0	0.0	\$0	\$0

## Estimated Capital Budget Impact

NONE

<b>Prepared by:</b> Clint McCarthy, OFM	<b>Phone:</b> 360-902-0419	<b>Date Published:</b> Revised
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 30193

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1382 HB PL	<b>Title:</b> Express toll lanes/eastside	<b>Agency:</b> 090-Office of State Treasurer
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.
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### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/19/2011
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 04/22/2011
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 04/22/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 04/22/2011

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

EHB 1382 PL creates the interstate 405 express toll lanes operations account and allows the account to retain its earnings from investments.

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

For illustrative purposes, assume based on the March 2011 Revenue Forecast that the net rate for estimating earnings for FY 11 is 0.50%, FY 12 is 0.25%, and FY 13 is 1.63%. Approximately \$5,000 in FY 11, \$2,500 in FY 12, and \$16,300 in FY 13 in net earnings and \$5,000 in fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

EHB 1382 PL creates the interstate 405 express toll lanes operations account and allows the account to retain its earnings from investments.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1382 HB PL	<b>Title:</b> Express toll lanes/eastside	<b>Agency:</b> 405-Department of Transportation
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/19/2011
Agency Preparation: Helena Kennedy Smith	Phone: 206-464-1226	Date: 04/20/2011
Agency Approval: Craig Stone	Phone: 206-464-1222	Date: 04/20/2011
OFM Review: Clint McCarthy	Phone: 360-902-0419	Date: 04/22/2011

Request # 11-162-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The proposal designates I-405 as an eligible toll facility. WSDOT may proceed with construction of capacity improvements, including conduit and other underground features for tolling. Any contract terms that include tolling equipment may not take effect until specific appropriation authority has been provided in 2012.

The proposal directs the Transportation Commission to hire independent consultants and to conduct a traffic and revenue analysis to deliver it to the Governor and the legislature by January 2012, using I-405's capital appropriation. In this report, the consultants will evaluate the effects of the project on the south end of I-405 and SR 167 corridors, on transit, on carpools and single occupant vehicles, and on feasibility for financing capacity improvements. Additionally, the Commission and department would be required to consult with a committee of local officials, state officials and transit agencies. WSDOT – in consultation with the Commission - is responsible for providing a finance plan during the same time period.

This proposal would also create The Interstate 405 Express Toll Lanes Operations Account in the state treasury.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

The amount of cash receipts is indeterminate at this time. The total estimated cash receipts from tolling cannot be determined until the Transportation Commission has set the toll policies and parameters for the dynamic tolling algorithm for I-405. Additionally, cash receipts cannot be accurately projected because express lanes would be dynamically tolled based on congestion levels and other performance measures, and because drivers have the option to use the facility or remain in the free, parallel lanes. This makes it difficult to forecast how many drivers will want to buy into the lane at any given time, and thus, how much they would pay. Experience in other parts of the country suggests that the same congestion level can result in significantly different toll rates based on a wide range of factors such as time of day, day of week, etc.

This proposal sets a performance standard that would ensure, 90 percent of the time, that drivers be able to travel at 45 mph or better during peak periods. In order to achieve that standard, the department assumes that toll rates will not be capped, since rates will have to increase during times when congestion is at its worst. The analysis below is consistent with the assumption that toll rates will not be capped.

As part of the "traffic and revenue" study required by 2012, the Transportation Commission will oversee refined gross revenue estimates, but the issues described above will still apply.

During fall of 2009, the department developed preliminary gross toll revenue estimates as part of the planning-level "Eastside Corridor Tolling Study" completed for the 2010 Legislative Session. In this report, the department studied five options for express toll lanes on I-405 and SR167. Study Option 1 is best suited to this fiscal note because it is the study

option that most closely evaluates the development of express toll lanes between Bellevue and Lynnwood. The estimates below are stated in ranges due to the complexity of forecasting dynamic tolling and drivers having the option to use the express lanes.

Study Option 1 was based on the following assumptions:

- HOV 3 + vehicles use the express toll lanes toll free.
- The minimum toll when the facility opens is \$1 per segment.
- There are 3 toll segments within the tolled portion of the corridor for Study Option 1.
- The minimum tolls would increase to keep pace with expected inflation over time.
- The toll is not capped and the lanes are assumed to remain open to toll-paying SOVs and 2 person HOVs, with tolls increasing in order to match demand for the lanes with the space available.
- Heavy trucks and trailers are not toll-eligible vehicles.
- The facility will operate from 5 a.m. to 8 p.m.
- Nighttime use between 8pm and 5am is free.
- The user will see rates rounded to the nearest nickel.
- The State would receive up to \$4 million in revenue from the sale of transponders.

Ranges were developed by taking the forecasted revenues as the high end of the range and setting 40% of the forecasted amount as the "floor."

All revenue estimates in this fiscal note come from the 2010 I-405 Eastside Corridor Tolling Study. Based on the assumptions listed above, the average toll revenue per transaction (toll segment) for Study Option 1 would be \$3.80 in FY 2015. Assuming tolling would begin on January 1, 2015, the range of gross toll revenue receipts by fiscal year are estimated to be:

Fiscal Year – Revenue Range (HOV 3+ Toll-Free)

2011 – \$0

2012 – \$0

2013 – \$0

2014 – \$0

2015 – \$3.3 M to \$11 M (one half fiscal year) + up to \$3M of additional revenue from transponder sales

2016 – \$8.2 M to \$28 M + up to \$1M of additional revenue from transponder sales

2017 – \$12 M to \$38 M

2018 – \$14 M to \$47 M

2019 – \$17 M to \$56 M

2020 – \$20 M to \$66 M

If the department assumed that vehicles with 2 or more occupants could travel toll-free (HOV 2+), over time there will increasingly be periods during the day when the lane will be full just with exempt 2+ HOVs. At such times, single occupant vehicles (SOV) would not be able to buy in since increasing toll rates will not be sufficient to maintain the required travel speed. As a result, the express toll lanes would be closed to drivers of SOVs, and no revenue would be collected during that period. The frequency and duration of these closures is unknown and adds to the difficulty in predicting cash receipts. Currently, with HOV 2+ there are times that I-405 HOV lanes would not meet the 45mph requirement.

Under a scenario where vehicles with 2 occupants travel toll-free, cash receipts are estimated to be between \$3.0 – 9.0 million in FY 2015 and \$12 - 41 million by FY 2020. Overall, gross revenues for FY 2015-20 are expected to be about 31 percent lower with HOV 2+ toll-free than with HOV 3+ toll-free.

Additionally, the revenue differential between HOV 2+ and HOV 3+ scenarios would increase over time since the express toll lanes would become congested more frequently and not meet the required travel speed in the HOV 2+ scenario. This would require closing the lanes to tolling, and would result in the express toll lane functioning only as an HOV lane. Considering the overall net revenues through FY 2045, a more than 50 percent reduction in the toll funding contribution is estimated for the HOV 2+ scenario compared with the HOV 3+ scenario.

Although fewer drivers would have to pay if HOV 2+ were free, the average toll paid would be higher for a given time of day since there would be significantly fewer spaces available to sell to single occupant vehicles. In FY 2015, the average revenue per transaction (toll segment) would be about \$4.62, or 21 percent higher than for the case with HOV 3+ exempt. Over time the revenue benefit of the HOV 3+ exemption over the 2+ case will increase.

Assuming tolling would begin on January 1, 2015, the following are the projected range of gross toll revenue receipts for 2+ HOVs toll-free:

Fiscal Year – Revenue Range (HOV 2+ Toll-Free)

2011 – \$0

2012 – \$0

2013 – \$0

2014 – \$0

2015 – \$2.8 M to \$9.2 M (one half fiscal year) + up to \$3M of additional revenue from transponder sales

2016 – \$6.6 M to \$22 M + up to \$1M of additional revenue from transponder sales

2017 – \$8.6 M to \$29 M

2018 – \$9.9 M to \$33 M

2019 – \$11 M to \$37 M

2020 – \$12 M to \$41 M

## II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

The department is not required to toll. However, for the purpose of this fiscal note, the department has provided estimates as if tolling were implemented. Additional analysis would be needed to determine the traffic impact of this proposal; therefore, the department has determined that the fiscal impacts are currently indeterminate. However, potential costs estimates developed in 2009 and reported in the 2010 I-405 Eastside Corridor Tolling Study are noted below.

Constructing and operating the express toll lane system results in the following types of capital and operating costs: 1) costs for highway project capital construction, including toll equipment and systems; 2) costs for operations beginning in fiscal year 2015; and 3) costs for a traffic and revenue study.

In Study Option 1, the total cost to develop and construct express toll lanes was estimated to be approximately \$400M

(year of expenditure dollars). It is anticipated that the entire cost for improvements could be funded within the amount provided for the I-405 corridor in the Governor's 2011-2013 Transportation Budget. However, the improvements cannot be configured as express toll lanes or tolls collected without legislative authorization.

Operations and maintenance costs (such as: the cost of collecting tolls, processing toll payments, customer service center (CSC) vendor costs, auditing revenues, etc.) are estimated below. Many of these costs are joint costs that are distributed back to facilities (I-405, SR 520, Tacoma Narrows Bridge (TNB), etc) based on the relative proportion of traffic on the respective facilities. The amount charged to I-405 will depend on the amount of traffic that uses the I-405 express toll lanes as a percentage of traffic on all tolled facilities.

In addition, the department would incur startup costs such as buying transponders for inventory and implementing a marketing campaign. Based on the current costs of transponders, the department estimates that it would need \$4 million for initial transponder inventory. Marketing expenses would be required to provide: ongoing communications and promotions required to educate drivers about payment options and encourage users to set up the most cost effective billing option; respond to customer questions; conduct media relations activities; keep web pages up-to-date; prepare presentations and reports on how the system is operating; and promote the Good To Go! program to additional users.

The marketing costs are based on SR520 experience and are estimated as follows:

- In the 18 months prior to opening, three full time staff (levels Communication Consultant (CC 3, CC4 and CC5) would be required at an estimated cost, including benefits, of \$400,000.
- In the first year of operations after opening, additional marketing resources will be required at a reduced level, estimated at \$200,000.
- Marketing materials, media buys and other expenses are estimated at \$2 million.

I-405's estimated operation and maintenance costs are preliminary. Additional analysis would be needed to refine traffic and revenue projections, and traffic projections drive cost estimates. The estimates given below are based on the 2010 planning-level study from analysis conducted in 2009. Estimates are presented as ranges to reflect uncertainty in the traffic projections and toll collection costs.

The following estimates are for the 3+ HOV exemption case.

#### Fiscal Year Expenditure Range (HOV 3+ Toll-Free)

2011 - \$0

2012 - \$0

2013 - \$0

2014 - \$0

2015 - \$3.1 M to \$4.7 M (excluding transponder inventory) + up to an additional \$3M in transponder expenditure + \$2.4M in marketing expense

2016 - \$5.4 M to \$8.3 M + up to an additional \$1M in transponder expenditure + \$0.2M in marketing expense

2017 - \$6.0 M to \$9.2 M

2018 - \$6.4 M to \$9.8 M

2019 - \$9.4 M to \$14 M (note: this year is higher than others because periodic toll collection equipment rehabilitation and replacement costs will occur in this year)



2020 - \$7.1 M to \$11 M

The ranges of costs are somewhat lower in the HOV 2+ case. This occurs because customer service center (CSC) and other joint costs would be allocated by the number of I-405 toll trips relative to the total number of trips across all toll facilities. With fewer tolled customers (albeit paying higher tolls), less of the CSC costs would be allocated to I-405. There are no differences assumed in the toll collection hardware operations and maintenance costs between the 2+ and 3+ HOV cases.

Below are the estimates for the 2+ HOV exemption case.

Fiscal Year Expenditure Range (HOV 2+ Toll-Free)

2011 - \$0

2012 - \$0

2013 - \$0

2014 - \$0

2015 - \$2.8 M to \$4.3 M (excluding transponder inventory) + up to an additional \$3M in transponder expenditure + \$2.4M in marketing expense

2016 - \$4.7 M to \$7.2 M + up to an additional \$1M in transponder expenditure + \$0.1M in marketing expense

2017 - \$5.0 M to \$7.6 M

2018 - \$5.2 M to \$7.9 M

2019 - \$8.0 M to \$12 M (note: this year is higher than others because periodic toll collection equipment rehabilitation and replacement costs will occur in this year)

2020 - \$5.5 M to \$8.5 M

One other set of costs occurs as a result of this proposal. Section 4 directs the Transportation Commission to retain independent experts and to conduct a traffic and revenue study which would be paid for by the state. The cost for a similar study was previously estimated at \$2 million, based on earlier versions of the bill that assumed WSDOT would be performing the traffic and revenue updates using the same consultants that had undertaken the 2010 study. Of the \$2 million, \$1.5 million was previously estimated for the traffic & revenue work, and \$0.5 million was estimated for the financial plan.

The choice of consultants affects the cost and the scope of the study. The bill requires the Commission to hire independent experts to conduct the study. There might be some additional effort to bring the new expert consultant up to speed on the project, but WSDOT assumes the cost for this activity could be covered by the existing budget.

It is assumed that the traffic and revenue study will have approximately five months to be completed, since the results of the study are needed to provide inputs to the finance plan. Additionally, it is assumed that the Commission and their independent consultant expert may need to select the previous modeling consultants (as sub-consultants) to model traffic and revenue under the direction of the new consultant, in order to save significant amounts of time and keep the traffic & revenue study budget at or close to \$1.5 million. If the existing team is used, it is assumed one month would be spent doing verification and changes to original assumptions, based on Commission review and direction. Under this assumption, four months would remain to conduct the analysis.

If the Transportation Commission hires new modeling sub-consultants (rather than using the previous modeling consultants), additional activities and related costs would need to be added to the estimated \$1.5 million total cost for the traffic and revenue analysis work. These activities include forecasting, micro-simulation modeling, and econometric modeling. To re-do the modeling work with new sub-consultants, it is estimated to take approximately 2,160 contract hours. Consultants who do this work average between \$125 and \$200 per hour. Assuming an average of \$150 per hour, the additional cost of using new modeling sub-consultants would be \$324,000.

The financial study will take the results of the traffic and revenue study and, working with the Commission and the Office of the State Treasurer, develop a financial plan. The scope for this effort is unchanged. If the traffic and revenue study were delayed, it could impact the time or cost of the finance plan, but WSDOT is committed to managing within the \$500,000 available funding.

Therefore, based on the assumptions above, WSDOT estimates that the I-405 appropriation would contribute approximately \$1.5 million if the previous modeling consultants are used, or approximately \$1.8 million if new modeling sub-consultants are hired to do the traffic and revenue study, and that \$500,000 would be contributed for the associated finance plan.

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

NONE

None

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1382 HB PL	<b>Title:</b> Express toll lanes/eastside	<b>Agency:</b> 410-Transportation Commission
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
<b>Account</b>					
Motor Vehicle Account-State 108-1	1,800,000	0	1,800,000	0	0
<b>Total \$</b>	1,800,000	0	1,800,000	0	0

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/19/2011
Agency Preparation: Paul Parker	Phone: (360)705-7118	Date: 05/02/2011
Agency Approval: Reema Griffith	Phone: 360-705-7070	Date: 05/02/2011
OFM Review: Paul Ingiosi	Phone: (360) 902-9822	Date: 05/02/2011

Request # 11-024-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The proposal directs the Transportation Commission to hire independent experts to conduct a traffic and revenue analysis for the development of a 40-mile continuous express toll lane system that includes I-405 and SR 167. The final report is to be delivered to the Governor and the legislature by January 2012. The study will be funded using the I-405 capital project appropriation. The department, in consultation with the Commission, is required to develop a finance plan to fund improvements on I-405 and SR 167, and develop a corridor-wide management plan, in consultation with the Commission, which must include a phasing strategy for the improvements needed within the I-405/SR 167 corridor. The department and the Commission must consult with a committee of local and state officials from the I-405 and SR 167 corridor and transit agencies who operate in the corridor. The department must provide technical and other support as requested by the Commission to complete the work identified in the bill.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Section 4 of the bill directs the Transportation Commission to retain independent experts and to conduct a traffic and revenue study which would be paid for by the state. The cost for a similar study was previously estimated at \$2 million, based on an earlier version of the bill that assumed WSDOT would be performing the traffic and revenue analysis using the same consultants that had undertaken the 2010 study. Of the \$2 million, \$1.5 million was previously estimated for the traffic & revenue study, and \$0.5 million was estimated for the financial plan.

The choice of consultants affects the cost and the scope of the study. The bill requires the Commission to hire independent experts to conduct the study. In order to bring the new expert consultant up to speed on the project and to allow for the assessment of the prior traffic and revenue work completed by WSDOT in 2010, there will likely be additional costs that were not part of the prior WSDOT cost estimate for the study due to the fact that they assumed the same consultants would do the work again.

Ideally, twelve months would be available to do this study. Due to the January 2012 deadline identified in the legislation and to allow time for the Commission and WSDOT to have discussions and review the various deliverables required in the bill, prior to the 2012 legislative session, it is assumed the traffic and revenue study will have approximately five to six months to be completed. The results of the analysis are needed to provide inputs to the finance plan, thus adequate time must be allowed for the development of that plan which also must be delivered by January 2012. This limited time frame to do the traffic and revenue analysis may have an impact on how the Commission will execute the analysis study and could carry costs not anticipated by prior WSDOT estimates for this work. It will largely depend on what, if any of the prior traffic and revenue work can be used for this new study, without compromising the independence of the analysis

and resulting outcome.

If it is determined by the Commission and its expert consultant that the prior modeling work will need to be completely re-done, the following activities and related costs would need to be added to the prior WSDOT estimate of \$1.5 million for the traffic and revenue analysis work:

- Forecasting = 3 Consultant FTEs x 8 weeks
- Micro-simulation modeling for econometric model input = 3 Consultant FTEs x 6 weeks
- Traffic and Revenue (econometric modeling) = 2 Consultant FTEs x 6 weeks

Because there is some overlap between the second and third bulleted tasks above, there would be a total of approximately 16 weeks of additional time needed to re-do the modeling work with new sub-consultants. According to WSDOT, consultants who do this work average between \$125 and \$200/hr. Assuming an average of \$150/hr, the additional cost of using new modeling sub-consultants would be approximately \$324,000.

Based on the assumptions above, the total cost to do the traffic and revenue analysis will be approximately \$1.8 million which assumes the detailed modeling work will have to be re-done.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts	1,800,000		1,800,000		
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$1,800,000	\$0	\$1,800,000	\$0	\$0

### Part IV: Capital Budget Impact

NONE

### Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*